

**Labor Floor Checks for
Fiscal Year 2003**

September 2003

Reference Number: 2003-1C-192

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

September 11, 2003

MEMORANDUM FOR DAVID A. GRANT
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

A handwritten signature in cursive script that reads "Daniel R. Devlin".

FROM: Daniel R. Devlin
Assistant Inspector General for Audit (Headquarters Operations
and Exempt Organizations Programs)

SUBJECT: Labor Floor Checks for Fiscal Year 2003
(Audit #200310002.045)

The Defense Contract Audit Agency (DCAA) performed physical observations (floor checks) as part of their comprehensive audit of the contractor. The purpose of the floor checks was to determine whether employees are actually at work, they are performing in their assigned job classifications, and their time is charged to the appropriate jobs. The floor checks also included determining whether the contractor consistently complies with established timekeeping system policies and procedures for recording labor charges.

The DCAA indicated that the floor checks disclosed no significant deficiencies in the contractor's timekeeping procedures or labor system. This report pertains only to evaluating the contractor's timekeeping procedures and the performance of floor checks at the contractor locations reviewed. The DCAA expresses no opinion on the adequacy of the contractor's labor accounting system taken as a whole.

The information in this report should not be used for purposes other than those intended without prior consultation with the Treasury Inspector General for Tax Administration regarding their applicability.

If you have any questions, please contact me at (202) 622-8500 or you may call John R. Wright, Director at (202) 927-7077.

Attachment

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 U.S.C. § 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

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